

INFORMATION REPORT

SECRET

CONFIDENTIAL

COUNTRY Austria

SUBJECT Russian Agency for the Purchase of Goods from the West

PLACE ACQUIRED

DATE OF INFO

CD NO.

DATE DISTR. 26 MAY 1949

NO. OF PAGES 2

NO. OF ENCLS. (LISTED BELOW)

SUPPLEMENT TO REPORT NO.

50X1-HUM

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT OF U.S.C. 31 AND 32. AS SUCH, ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

50X1-HUM

1. The Soviet authorities established in January 1949 in Vienna IV, Gusshausstrasse 20, a central organization for the purchase of goods emanating from Western European countries and from the United States under the ECA program. This office is the channel for approval of all such purchases by local Soviet agencies and by agencies of other Cominform countries.
2. The office personnel consists of eighteen agents who are directed by a Russian, Colonel Bankov; all but two of the agents are from Balkan countries. They receive up to 18,000 Austrian schillings a month as salary, in addition to a percentage commission on sales.
3. The office is not interested in consignments of less than ten tons; goods chiefly sought are lead, 99.80 pure, not hardened (Hüttenweich), electrolytic copper in bars, nylon silk, army field beds, and flints.
4. Since January 1949 the agents have been offering 15 percent above the average world market price of \$400 a ton for lead, and a similar additional percentage for copper. Flints are bought at \$16.00 a kg, and at \$19.50 a kg. The satellite countries receive small quantities of these flints, but approximately 86 percent are sent to the USSR.
- 5.
6. Copper and lead are also being bought, wherever possible, in Austria. Mitterbacher und Wagner, USIA agents in Upper Austria, have been instructed by USIA to buy all possible copper, including scrap, at 12.50 Austrian schillings per kg.
7. Money is being acquired for such transactions by USIA in several ways, of which the following are recent examples:

CLASSIFICATION		SECRET/CONTROL - U.S. OFFICIALS ONLY									
STATE #	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSRB							
ARMY	<input checked="" type="checkbox"/>	AIR		FBI							

CONFIDENTIAL

Document No.

NO CHANGE in Class. ☐

☐ DECLASSIFIED

Class. CHANGED TO: TS S C

DDA Memo, 4 Apr 77 50X1-HUM

Auth: DDA REG. 77

Date: 16 MAY 1978

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY

50X1-HUM

CENTRAL INTELLIGENCE AGENCY

CONFIDENTIAL
- 2 -

a.

- b. All USIA goods sold to Hungary, Rumania, Czechoslovakia, and Bulgaria must now be paid for by those countries in cash.
- c. Money is being saved by the stoppage of overtime pay for all workers in USIA factories and the Zistersdorf oil area. For overtime work these workers will now receive normal working wages.

~~SECRET~~/CONTROL - U.S. OFFICIALS ONLY

CONFIDENTIAL